



# COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR

KENNETH HAHN HALL OF ADMINISTRATION  
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LOS ANGELES, CA 90012

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MARK J. SALADINO

TREASURER AND TAX COLLECTOR

January 28, 2003

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**ISSUANCE AND SALE OF THE LOS ANGELES  
UNIFIED SCHOOL DISTRICT  
(COUNTY OF LOS ANGELES, CALIFORNIA)  
GENERAL OBLIGATION BONDS ELECTION 2002, SERIES A (2003)  
(3-VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

Adopt the Resolution authorizing the issuance and sale of general obligation bonds of the Los Angeles Unified School District in an amount not to exceed \$2,450,000,000 and delegating to the County Treasurer and Tax Collector authorization to execute necessary certificates.

**PURPOSE/ JUSTIFICATION OF RECOMMENDED ACTION**

The Governing Board of the Los Angeles Unified School District adopted a resolution on January 28, 2003 and determined that the District needs to borrow funds in an aggregate principal amount not to exceed \$2,450,000,000 to be used for authorized purposes.

On November 5, 2002, an election was held whereby qualified voters of the District approved the proposition authorizing the District to issue \$3.35 billion in general obligation bonds in order to improve local schools and relieve overcrowding; upgrade, repair, retrofit, acquire and lease school buildings, restrooms, libraries, science laboratories; and build neighborhood schools. This is the first issuance of bonds authorized under this measure.



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Pursuant to Section 15266 of the Education Code, the Board of Supervisors is responsible for offering the District's bonds for sale. Such bonds shall be issued in the name and on behalf of such school district by the Board of Supervisors of the County of Los Angeles following receipt of the district resolution requesting such borrowing.

#### Implementation of Strategic Plan Goals

This action supports the County's Strategic Plan Goal of Service Excellence by providing one stop service delivery to the school district. It supports the Strategic Plan Goal of Organizational Effectiveness through collaborative actions among County departments and other governmental jurisdictions. And, it supports the Strategic Plan Goal of Fiscal Responsibility by providing investment in and development of public school infrastructure in this County.

#### **FISCAL IMPACT/FINANCING**

None to the County. All debt will be paid by the District.

#### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The Resolution provides for issuance of the bonds not to exceed the maximum interest rate of 8% per annum. The final structure will be determined at the time of pricing to achieve the lowest cost of financing within the limits of the proposition's tax levy. The term of the bonds will not exceed twenty-five years. Provisions for optional redemption of these bonds will be described in the Bond Purchase Agreement.

The Resolution provides for the negotiated sale of the bonds, with participation by the Treasurer and Tax Collector in pricing of the bonds, to the Underwriters. The District has selected Merrill Lynch & Co., Lehman Brothers, Banc of America Securities LLC, Morgan Stanley, Salomon Smith Barney, UBS PaineWebber Inc., Siebert Brandford Shank & Co., LLC, E.J. De La Rosa & Co., Inc., Prudential Securities and US Bancorp Piper Jaffray as Underwriters; the firms of Sidley Austin Brown & Wood LLP and Curls, Brown & Duran LLP as Co-Bond Counsel; Tamalpais Advisors, Inc. and Annette Yee and Company as Financial Co-Advisors; and U.S. Bank N.A. as Paying Agent.

The County will annually levy and collect ad valorem taxes for the repayment of the bonds on behalf of the District.



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**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Not Applicable

**CONCLUSION**

Upon approval of this Resolution, the Department will need two (2) originally executed copies of the adopted Resolution.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mark J. Saladino".

MARK J. SALADINO  
Treasurer and Tax Collector

MJS:DL:BLC:pab  
Schools: lauds 2002 ser a

Attachments(2)

c:     Executive Officer, Board of Supervisors  
         Chief Administrative Officer  
         Auditor-Controller  
         County Counsel  
         Los Angeles Unified School District  
         Los Angeles County Office of Education  
         Merrill Lynch & Co.  
         Sidley Austin Brown & Wood LLP  
         Curls, Brown & Duran LLP  
         Tamalpais Advisors, Inc.  
         Annette Yee and Company



RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AUTHORIZING THE ISSUANCE AND SALE OF BONDS ON BEHALF OF THE LOS ANGELES UNIFIED SCHOOL DISTRICT IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$2,450,000,000 BY A NEGOTIATED SALE; PRESCRIBING THE TERMS OF SALE OF THE BONDS; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF THE BOND PURCHASE AGREEMENT; AND AUTHORIZING THE EXECUTION OF NECESSARY CERTIFICATES RELATING TO THE BONDS.

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WHEREAS, an election was duly called and regularly held in the Los Angeles Unified School District, County of Los Angeles, California (herein called the "District"), on November 5, 2002, pursuant to Proposition 39 enacted by the voters of the State of California ("Proposition 39"), at which the following proposition was submitted to the electors of the District:

"To improve local schools and relieve classroom overcrowding, shall Los Angeles Unified School District repair, renovate, acquire, lease school buildings, classrooms, libraries, restrooms, science laboratories, capital projects; upgrade fire/security systems, earthquake retrofitting, lighting, heating; acquire library books; eliminate hazards of asbestos, lead paint; upgrade wiring for computers; build neighborhood schools, by issuing \$3.35 billion in bonds, at legal interest rates, with guaranteed annual financial audits, citizens' oversight committee, no money for administrators' salaries?"

and

WHEREAS, at least 55% of the votes cast on the proposition were in favor of issuing the bonds; and

WHEREAS, the Board of Education of the District has requested this Board of Supervisors (the "Board of Supervisors") of the County of Los Angeles (the "County") to issue a portion of the approved bonds pursuant to Proposition 39 and Section 15100 *et seq.* of the Education Code of the State of California in a single series designated the "Los Angeles Unified School District General Obligation Bonds, Election of 2002, Series A (2003)" in an aggregate principal amount not exceeding \$2,450,000,000, and to authorize the sale of the bonds by a negotiated sale pursuant to a Bond Purchase Agreement (the "Bond Purchase Agreement") to be entered into with the representative of a group of underwriters (the "Underwriter") selected by the District and named therein, a form of which Bond Purchase Agreement has been submitted to and is on file with the Executive Officer-Clerk of this Board of Supervisors, all according to the terms and in the manner set forth in a resolution duly adopted by the Board of Education of the District on January 28, 2003, a certified copy of which has been filed with the Executive Officer-Clerk of this Board of Supervisors (the "Resolution"); and



WHEREAS, this Board of Supervisors accepts the representation of the District that it is necessary and desirable that the bonds be issued and sold by a negotiated sale for the purposes for which the bonds have been authorized and on the terms and conditions set forth in the resolution of the Board of Education of the District;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES AS FOLLOWS:

SECTION 1. Recitals: All of the above recitals are true and correct.

SECTION 2. District Resolution Incorporated: The Resolution is incorporated herein by reference and all of the provisions thereof are made a part hereof and shall be applicable to the bonds herein provided for, except as herein otherwise expressly provided.

SECTION 3. Purpose of Bonds. Certain proceeds of the Bonds (defined below) will be applied to improve local schools and relieve classroom overcrowding, repair, renovate, acquire, lease school buildings, classrooms, libraries, restrooms, science laboratories, capital projects, upgrade fire/security systems, earthquake retrofitting, lighting, heating, acquire library books, eliminate hazards of asbestos, lead paint, upgrade wiring for computers, build neighborhood schools, as further described in the General Obligation Bond Project Report available from the District, and to pay all necessary legal, financial, engineering and contingent costs in connection therewith.

SECTION 4. Authorization and Designation of Bonds: This Board of Supervisors hereby authorizes on behalf of the Los Angeles Unified School District, the issuance and sale of not to exceed \$2,450,000,000 aggregate principal amount of bonds of the District and designates the bonds to be issued and sold as the "Los Angeles Unified School District General Obligation Bonds, Election of 2002, Series A (2003)" (herein called the "Series A Bonds" or the "Bonds").

SECTION 5. Form of Bonds; Execution:

(a) Book-Entry. The Depository Trust Company, New York, New York, is hereby appointed depository for the Series A Bonds. The Series A Bonds shall be issued in book-entry form only, and shall be initially registered in the name of "Cede & Co.," as nominee of The Depository Trust Company, and registered ownership of the Series A Bonds may not thereafter be transferred except as provided in Section 9 hereof. One bond certificate shall be issued for each maturity of the Series A Bonds.

(b) Form of Bonds. The Series A Bonds shall be issued in fully registered form without coupons. The Series A Bonds and the paying agent's certificate of authentication and registration and the form of assignment to appear on each of them, shall be in substantially the form attached hereto as Exhibit A, with necessary or appropriate variations, omissions and insertions as permitted or required by this Resolution; provided, that if a portion of the text of any Series A Bond is printed on the reverse of the Series A Bond, the following legend shall be printed on the face of such Series A Bond: "THE PROVISIONS OF THIS BOND ARE CONTINUED ON THE REVERSE HEREOF AND SUCH CONTINUED PROVISIONS



SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH AT THIS PLACE."

(c) Execution of Bonds. The Series A Bonds shall be signed by the manual or facsimile signatures of the Chair of this Board of Supervisors and of the Treasurer and Tax Collector of the County or any authorized deputy thereof (the "Treasurer"), and countersigned by the manual or facsimile signature of the Executive Officer-Clerk of this Board of Supervisors or any authorized deputy. The Bonds shall be authenticated by a manual signature of a duly authorized officer of the Paying Agent (as defined in Section 8(a) hereof).

(d) Valid Authentication. Only such of the Series A Bonds as shall bear thereon a certificate of authentication and registration as described in subsection (b), executed by the Paying Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Resolution, and such certificate of the Paying Agent shall be conclusive evidence that the Series A Bonds so authenticated have been duly authenticated and delivered hereunder and are entitled to the benefits of this Resolution.

(e) Identifying Number. The Paying Agent shall assign each Series A Bond authenticated and registered by it a distinctive letter, or number, or letter and number, and shall maintain a record thereof at its principal corporate trust office, which record shall be available to the District and the County for inspection.

#### SECTION 6. Terms of Bonds:

(a) Date of Bonds. The Series A Bonds shall be dated the date of delivery, or such other date as shall be set forth in the Bond Purchase Agreement.

(b) Denominations. The Series A Bonds shall be issued in denominations of \$5,000 principal amount or any integral multiple thereof.

(c) Maturity. The Series A Bonds shall mature on the date, in each of the years, in the principal amounts and in the aggregate principal amount as shall be set forth in the Bond Purchase Agreement. No Series A Bond shall mature later than the date which is 25 years from the date of the Bonds, to be determined as provided in subsection (a) of this Section.

(d) Interest. As used in this Resolution and in the Bonds, the terms "interest payment date," and "interest date" shall be interchangeable, and shall mean January 1 and July 1 of each year until the maturity of the Bonds, or such other dates specified in the Bond Purchase Agreement.

The Series A Bonds shall bear interest at an interest rate not to exceed 8% per annum, first payable on January 1, 2004, and thereafter on January 1 and July 1 in each year until the maturity of the Bonds (or on such other initial and other interest payment dates as shall be set forth in the Bond Purchase Agreement), computed on the basis of a 360-day year of twelve (12) 30-day months. Each Series A Bond shall bear interest from the interest payment date next preceding the date of authentication thereof, unless it is authenticated as of a day during the period after the Record Date (as defined in Section 6(b) herein) immediately preceding any interest payment date to and including such interest payment date, in which event it shall bear



interest from such interest payment date, or unless it is authenticated on or before the Record Date preceding the first interest payment date, in which event it shall bear interest from its date; provided, that if, at the time of authentication of any Series A Bond, interest is in default on any outstanding Series A Bonds, such Series A Bond shall bear interest from the interest payment date to which interest has previously been paid or made available for payment on the outstanding Series A Bonds.

#### SECTION 7. Payment:

(a) Principal. The principal of the Series A Bonds shall be payable in lawful money of the United States of America to the person whose name appears on the bond registration books of the Paying Agent (as described in Section 8(e) hereof) as the registered owner thereof (the "Owner"), upon the surrender thereof at the principal corporate trust office of the Paying Agent.

(b) Interest; Record Date. The interest on the Series A Bonds shall be payable in lawful money of the United States of America to the Owner thereof as of the close of business on the 15th day of the month preceding an interest payment date (the "Record Date"), whether or not such day is a business day, such interest to be paid by check or draft mailed on such interest payment date (if a business day, or on the next business day if the interest payment date does not fall on a business day) to such Owner at such Owner's address as it appears on the bond registration books described in Section 8(e) or at such address as the Owner may have filed with the Paying Agent for that purpose except that the payment shall be made in immediately available funds (e.g., by wire transfer) to any Owner of at least one million dollars (\$1,000,000) of outstanding Series A Bonds who shall have requested in writing such method of payment of interest prior to the close of business on the Record Date immediately preceding any interest payment date. So long as Cede & Co. or its registered assigns shall be the Owner of the Series A Bonds, payment shall be made in immediately available funds as provided in Section 9(d) hereof.

(c) Payment Fund: (a) Principal and interest due on the Series A Bonds shall be paid from the interest and sinking fund of the District as provided in Section 15146 of the Education Code (the "Debt Service Fund"). No part of any fund of the County is pledged or obligated to the payment of the Bonds.

#### SECTION 8. Redemption Provisions:

(a) Optional Redemption. The Series A Bonds shall be subject to redemption, at the option of the District, on the dates and terms as shall be designated in the Bond Purchase Agreement. The Bond Purchase Agreement may provide that the Series A Bonds shall not be subject to optional redemption.

If the Series A Bonds shall be subject to optional redemption and less than all of the Series A Bonds are called for such redemption, such bonds shall be redeemed in inverse order of maturities or as otherwise directed by the District, and if less than all of the Series A Bonds of any given maturity are called for redemption, the portions of such bonds of a given maturity to be redeemed shall be determined by lot.



(b) Mandatory Sinking Fund Redemption. The Series A Bonds, if any, which are designated in the Bond Purchase Agreement as Series A Term Bonds shall also be subject to redemption prior to their stated maturity dates, without a redemption premium, in part by lot, from mandatory sinking fund payments in the amounts and in accordance with the terms to be specified in the Bond Purchase Agreement. The principal amount of each mandatory sinking fund payment of any maturity shall be reduced proportionately by the amount of any Series A Bonds of that maturity optionally redeemed prior to the mandatory sinking fund payment date. The Bond Purchase Agreement may provide that the Series A Bonds shall not be subject to mandatory sinking fund redemption.

(c) Notice of Redemption. Notice of redemption of any Series A Bonds shall be given by the Paying Agent upon the written request of the District given at least 60 days prior to the date designated for such redemption. Notice of any redemption of Series A Bonds shall be mailed postage prepaid, not less than thirty (30) nor more than sixty (60) days prior to the redemption date (i) by first class mail to the respective Owners thereof at the addresses appearing on the bond registration books described in Section 8(e), (ii) by secured mail to all organizations registered with the Securities and Exchange Commission as securities depositories, (iii) to at least two information services of national recognition which disseminate redemption information with respect to municipal securities, and (iv) as may be further required in accordance with the Continuing Disclosure Certificate of the District described in Section 15.

Each notice of redemption shall contain all of the following information:

- (i) the date of such notice;
- (ii) the name of the Bonds and the date of issue of the Bonds;
- (iii) the redemption date;
- (iv) the redemption price;
- (v) the dates of maturity of the Bonds to be redeemed;
- (vi) (if less than all of the Bonds of any maturity are to be redeemed) the distinctive numbers of the Bonds of each maturity to be redeemed;
- (vii) (in the case of Bonds redeemed in part only) the respective portions of the principal amount of the Bonds of each maturity to be redeemed;
- (viii) the CUSIP number, if any, of each maturity of Bonds to be redeemed;
- (ix) a statement that such Bonds must be surrendered by the Owners at the principal corporate trust office of the Paying Agent, or at such other place or places designated by the Paying Agent; and
- (x) notice that further interest on such Bonds will not accrue after the designated redemption date.



(d) Effect of Notice. A certificate of the Paying Agent or the District that notice of call and redemption has been given to Owners and to the appropriate securities depositories and information services as herein provided shall be conclusive as against all parties. The actual receipt by the Owner of any Series A Bond or by any securities depository or information service of notice of redemption shall not be a condition precedent to redemption, and failure to receive such notice, or any defect in the notice given, shall not affect the validity of the proceedings for the redemption of such Bonds or the cessation of interest on the date fixed for redemption.

When notice of redemption has been given substantially as provided for herein, and when the redemption price of the Bonds called for redemption is set aside for the purpose as described in subsection (e) of this Section, the Bonds designated for redemption shall become due and payable on the specified redemption date and interest shall cease to accrue thereon as of the redemption date, and upon presentation and surrender of such Bonds at the place specified in the notice of redemption, such Bonds shall be redeemed and paid at the redemption price thereof out of the money provided therefor. The Owners of such Bonds so called for redemption after such redemption date shall look for the payment of such Bonds and the redemption premium thereon, if any, only to the interest and sinking fund or the escrow fund established for such purpose. All Bonds redeemed shall be cancelled forthwith by the Paying Agent and shall not be reissued.

(e) Redemption Fund. Prior to or on the redemption date of any Bonds there shall be available in the interest and sinking fund of the District, or held in trust for such purpose as provided by law, monies for the purpose and sufficient to redeem, at the premiums payable as in this resolution provided, the Bonds designated in any notice of redemption. Such monies so set aside in any such escrow fund shall be applied on or after the redemption date solely for payment of principal of and premium, if any, on the Bonds to be redeemed upon presentation and surrender of such Bonds, provided that all monies in the interest and sinking fund of the District shall be used for the purposes established and permitted by law. Any interest due on or prior to the redemption date shall be paid from the interest and sinking fund of the District, unless otherwise provided for to be paid from such escrow. If, after all of the Bonds have been redeemed and cancelled or paid and cancelled, there are monies remaining in the interest and sinking fund of the District or otherwise held in trust for the payment of redemption price of the Bonds, those monies shall be held in or returned or transferred to the interest and sinking fund of the District for payment of any outstanding bonds of the District payable from that fund; provided, however, that if those monies are part of the proceeds of bonds of the District, the monies shall be transferred to the Debt Service Fund. If no such bonds of the District are at such time outstanding, the monies shall be transferred to the general fund of the District as provided and permitted by law.

(f) Defeasance of Bonds. If at any time the District shall pay or cause to be paid or there shall otherwise be paid to the Owners of any or all outstanding Bonds all of the principal, interest and premium, if any, represented by such Bonds at the times and in the manner provided herein and in the Bonds, or as provided in the following paragraph, or as otherwise provided by law consistent herewith, then such Owners shall cease to be entitled to the obligation of the District as provided in Section 11 hereof, and such obligation and all agreements and covenants of the District and of the County to such Owners hereunder and under the Bonds shall thereupon be satisfied and discharged and shall terminate, except only that the District shall remain liable for payment of all principal, interest and premium, if any, represented by the Bonds, but only out



of monies on deposit in the interest and sinking fund or otherwise held in trust for such payment; and provided further, however, that the provisions of subsection (g) hereof shall apply in all events.

All or any portion of the outstanding maturities of the Bonds may be defeased prior to maturity in the following ways:

- (i) by irrevocably depositing with the Paying Agent an amount of cash which together with amounts then on deposit in the Debt Service Fund, is sufficient to pay all Bonds outstanding and designated for defeasance, including all principal and interest and redemption premium, if any; or
- (ii) by irrevocably depositing with the Paying Agent, noncallable United States Obligations (as defined below) together with cash, if required, in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon and monies then on deposit in the Debt Service Fund together with the interest to accrue thereon, be fully sufficient to pay and discharge all Bonds outstanding and designated for defeasance (including all principal thereof and interest and prepayment premiums, if any, thereon) at or before their maturity date.

For purposes of this Section, United States Obligations shall mean:

- (i) Direct and general obligations of the United States of America (including state and local government series), or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, including (in the case of direct and general obligations of the United States of America) evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances wherein (a) a bank or trust company acts as custodian and holds the underlying United States obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (c) the underlying United States obligations are held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that such obligations are rated or assessed "AAA" by Standard & Poor's or "Aaa" by Moody's Investors Service; and
- (ii) Non-callable obligations of government sponsored agencies that are rated "AAA," by Standard & Poor's or "Aaa" by Moody's Investors Service but are not backed by the full faith and credit of the U.S. Government. These include the following: (a) Federal Home Loan Mortgage Corp. (FHLMC) Debt Obligations; (b) Farm Credit System (Formerly: Federal Land



Banks, Intermediate Credit Banks, and Banks for Cooperatives) Consolidated Systemwide bonds and notes; (c) Federal Home Loan Banks (FHL Banks) Consolidated debt obligations; (d) Federal National Mortgage Association (FNMA) Debt Obligations; and (e) Resolution Funding Corp. (REFCORP) Debt Obligations.

In the event that Bonds are being defeased pursuant to paragraph (ii) of this Section, the independent certified public accountant referred to therein and any escrow agent selected in connection with said defeasance shall both be subject to County approval.

(g) Unclaimed Monies. Any money held in any fund created pursuant to this Resolution, or by the Paying Agent in trust, for the payment of the principal of, redemption premium, if any, or interest on the Bonds and remaining unclaimed for one year after the principal of all of the Bonds has become due and payable (whether by maturity or upon prior redemption) shall be transferred to the interest and sinking fund of the District for payment of any outstanding bonds of the District payable from that fund; or, if no such bonds of the District are at such time outstanding, the monies shall be transferred to the general fund of the District as provided and permitted by law.

#### SECTION 9. Paying Agent and Disbursement Agent:

(a) Defined. As used in this Resolution and in the Bonds, "Paying Agent" shall mean the Treasurer or any bank, trust company, national banking association or other financial institution appointed as paying agent for the Series A Bonds in the manner provided in this Resolution.

(b) Appointment; Payment of Fees and Expenses. This Board of Supervisors does hereby consent to the appointment by the District of U.S. Bank, N.A., to act as initial authenticating agent, bond registrar, transfer agent and paying agent for the Series A Bonds, and does confirm said appointment for purposes of this Resolution. All fees and expenses of the Paying Agent shall be the sole responsibility of the District, and to the extent not paid from the proceeds of sale of the Bonds, or from the Debt Service Fund, insofar as permitted by law, including specifically by Section 15232 of the Education Code of the State and insofar as money in the Debt Service Fund is sufficient therefor, such fees and expenses shall be paid by the District.

(c) Resignation, Removal and Replacement of Paying Agent. The Paying Agent initially appointed or any successor Paying Agent may resign from service as Paying Agent and may be removed as provided in the Paying Agent's service agreement with the District and the County; provided that any successor shall be appointed with the consent of the County. Without further action by the District, if at any time the Paying Agent shall resign or be removed and no successor appointed by the District, the Treasurer shall appoint a successor Paying Agent, which shall be a bank or trust company doing business in and having a corporate trust office in Los Angeles, California, with at least \$100,000,000 in net assets.

(d) Principal Corporate Trust Office. Unless otherwise specifically noted, and for so long as U.S. Bank, N.A. shall serve as paying agent hereunder, any reference herein to the



"principal corporate trust office" of the Paying Agent shall mean in care of the corporate trust office of U.S. Bank, N.A. in Los Angeles, California; provided, however, that in any case "principal corporate trust office" shall mean any other office of the Paying Agent designated for a particular purpose, and shall include the principal corporate trust office or other designated office of any successor paying agent.

(e) Registration Books. The Paying Agent will keep or cause to be kept at its principal corporate trust office sufficient books for the registration and transfer of the Series A Bonds, which shall at all times be open to inspection by the District, and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred on the books, Series A Bonds as provided in Section 9 hereof. The Paying Agent shall keep accurate records of all funds administered by it and of all Series A Bond paid and discharged by it. Such records shall be provided, upon reasonable request, to the County in a format mutually agreeable to the Paying Agent and the County.

(f) Disbursement Agent. For any period of time in which the Treasurer is not acting in the capacity of Paying Agent, the Treasurer shall serve as disbursement agent hereunder and shall transfer monies from the Debt Service Fund to the Paying Agent in order to make payments of principal and interest on the Bonds.

SECTION 10. Transfer Under Book-Entry System; Discontinuation of Book-Entry System:

(a) The Series A Bonds shall be initially issued and registered as provided in Section 4. Registered ownership of such Series A Bonds, or any portion thereof, may not thereafter be transferred except:

(i) To any successor of Cede & Co., as nominee of The Depository Trust Company, or its nominee, or to any substitute depository designated pursuant to clause (ii) of this section (a "substitute depository"); provided, that any successor of Cede & Co., as nominee of The Depository Trust Company or substitute depository, shall be qualified under any applicable laws to provide the services proposed to be provided by it;

(ii) To any substitute depository not objected to by the District or the County, upon (1) the resignation of The Depository Trust Company or its successor (or any substitute depository or its successor) from its functions as depository, or (2) a determination by the County (upon consultation with the District) to substitute another depository for The Depository Trust Company (or its successor) because The Depository Trust Company or its successor (or any substitute depository or its successor) is no longer able to carry out its functions as depository; provided, that any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(iii) To any person as provided below, upon (1) the resignation of The Depository Trust Company or its successor (or substitute depository or its successor) from its functions as depository, or (2) a determination by the County (upon consultation



with the District) to remove The Depository Trust Company or its successor (or any substitute depository or its successor) from its functions as depository.

(b) In the case of any transfer pursuant to clause (i) or clause (ii) of subsection (a) of this section, upon receipt of the outstanding Series A Bonds by the Paying Agent, together with a written request of the District or County to the Paying Agent, a new Series A Bond for each maturity shall be executed and delivered in the aggregate principal amount of the Series A Bonds then outstanding, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such written request of the District or County. In the case of any transfer pursuant to clause (iii) of subsection (a) of this section, upon receipt of the outstanding Series A Bonds by the Paying Agent together with a written request of the District or County to the Paying Agent, new Series A Bonds shall be executed and delivered in such denominations, numbered in the manner determined by the Paying Agent, and registered in the names of such persons, as are requested in such written request of the District or County, subject to the limitations of Section 5 and the receipt of such a written request of the District or County, and thereafter, the Series A Bonds shall be transferred pursuant to the provisions set forth in Section 10 of this resolution; provided, that the Paying Agent shall not be required to deliver such new Series A Bonds within a period of less than sixty (60) days after the receipt of any such written request of the District or County.

(c) The County, the District and the Paying Agent shall be entitled to treat the person in whose name any Series A Bond is registered as the owner thereof, notwithstanding any notice to the contrary received by the County, the District or the Paying Agent; and the County, the District and the Paying Agent shall have no responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any beneficial owners of the Series A Bonds, and neither the County, the District or the Paying Agent shall have any responsibility or obligation, legal or otherwise, to the beneficial owners or to any other party, including The Depository Trust Company or its successor (or substitute depository or its successor), except for the Owner of any Series A Bonds.

(d) So long as the outstanding Series A Bonds are registered in the name of Cede & Co. or its registered assigns, the District, the County and the Paying Agent shall cooperate with Cede & Co., as sole Owner, or its registered assigns in effecting payment of the principal of and interest on the Series A Bonds by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available (*e.g.*, by wire transfer) on the date they are due.



#### SECTION 11. Transfer and Exchange:

(a) Transfer. Following the termination or removal of the depository pursuant to Section 9 hereof, any Series A Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of Section 8(e) hereof, by the Owner thereof, in person or by the duly authorized attorney of such Owner, upon surrender of such Series A Bond to the Paying Agent for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Paying Agent.

Whenever any Series A Bond or Bonds shall be surrendered for transfer, the designated County officials shall execute and the Paying Agent shall authenticate and deliver, as provided in Section 4, a new Series A Bond or Bonds of the same series, maturity, interest payment mode and interest rate for a like aggregate principal amount. The Paying Agent may require the payment by any Owner of Series A Bonds requesting any such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

No transfer of any Series A Bond shall be required to be made by the Paying Agent during the period from (1) the close of business on the applicable Record Date to and including the succeeding interest date, or (2) the close of business on the date on which notice is given that such Series A Bond has been selected for redemption in whole or in part, to and including the designated redemption date.

(b) Exchange. The Series A Bonds may be exchanged for Series A Bonds of other authorized denominations of the same maturity and interest payment mode, by the Owner thereof, in person or by the duly authorized attorney of such Owner, upon surrender of such Series A Bond to the Paying Agent for cancellation, accompanied by delivery of a duly executed request for exchange in a form approved by the Paying Agent.

Whenever any Series A Bond or Bonds shall be surrendered for exchange, the designated County officials shall execute and the Paying Agent shall authenticate and deliver, as provided in Section 4, a new Series A Bond or Bonds of the same maturity and interest payment mode and interest rate for a like aggregate principal amount. The Paying Agent may require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

No exchange of any Series A Bonds shall be required to be made by the Paying Agent during the period from (1) the close of business on the applicable Record Date to and including the succeeding interest date, or (2) the close of business on the date on which notice is given that such Series A Bond has been selected for redemption in whole or in part, to and including the designated redemption date.

SECTION 12. Obligation of District: The Series A Bonds represent the statutory obligation of the District. The money for the payment of principal, redemption premium, if any, and interest with respect to the Series A Bonds shall be raised by taxation upon all taxable property in the District and provision shall be made for the levy and collection of such taxes in the manner provided by law and for such payment out of the interest and sinking fund of the District, and the Board of Supervisors of the County hereby covenants to levy ad valorem taxes



for the payment of the Series A Bonds on all property in the District subject to taxation by the District without limitation as to rate or amount (except certain personal property which is taxable at limited rates).

SECTION 13. Sale of Bonds; Bond Purchase Agreement: The Bond Purchase Agreement submitted to and on file with the Executive Officer-Clerk of this Board of Supervisors providing for the sale by this Board of Supervisors and the purchase by the Underwriter of the Series A Bonds at a purchase price to be set forth therein (which purchase price shall be approved by the Treasurer, this Board of Supervisors hereby expressly delegating to such officer the authority to execute the Bond Purchase Agreement on its behalf), is hereby approved; provided, that (i) the true interest cost for the Series A Bonds shall not be in excess of 8%; (ii) the maximum interest rate (coupon) on the Series A Bonds shall not be in excess of 8% per annum; (iii) the underwriter's discount shall not exceed 1% of the principal amount of the Series A Bonds; and (iv) the Series A Bonds shall otherwise conform to the limitations specified herein.

The Bond Purchase Agreement shall recite the aggregate principal amount of the Series A Bonds, the date thereof, the maturity dates, principal amounts and annual rates of interest of each maturity thereof, the initial and semiannual interest payment dates thereof, and the terms of optional and mandatory sinking fund redemption thereof.

The Treasurer (or an authorized deputy or delegate of the Treasurer) is hereby authorized and directed to accept the offer of the Underwriter when the offer is satisfactory to the Treasurer, and to execute and deliver the Bond Purchase Agreement on behalf of the County in substantially the form now on file with this Board of Supervisors, with such changes therein as shall be approved by the authorized officer of the County executing the same, and such execution shall constitute conclusive evidence of the Treasurer's approval and this Board of Supervisors' approval of any change therein from the form of such Bond Purchase Agreement.

SECTION 14. Deposit and Investment of Proceeds:

(a) The proceeds of sale of the Series A Bonds, exclusive of any premium and accrued interest received, shall be deposited in the County treasury and credited to the building fund of the District (the "Building Fund"). The District shall have sole responsibility that such proceeds be used for the purpose for which the Bonds are being issued and that such proceeds be applied to authorized purposes which relate to the acquisition or improvement of real property. Any premium and accrued interest shall be deposited upon receipt by the District in the Debt Service Fund within the County treasury.

(b) All funds held hereunder shall be invested by the Treasurer pursuant to Section 53601 of the Government Code of the State of California ("Section 53601"). The District may, to the extent permitted by law, give written direction to the Treasurer such that, all or any portion of the Building Fund of the District may be invested in:

(i) the Local Agency Investment Fund in the treasury of the State of California;



(ii) investment agreements, including guaranteed investment contracts, which comply with the requirements of each rating agency then rating the Series A Bonds necessary in order to maintain the then-current rating on the Series A Bonds; or

(iii) any other investment authorized pursuant to Section 53601.

Any excess proceeds of the Bonds not needed for the authorized purposes set forth herein for which the Bonds are being issued shall be transferred to the Debt Service Fund and applied to the payment of principal of and interest on the Bonds.

SECTION 15. Tax Covenant: The County acknowledges and relies upon the fact that the District has represented and covenanted that it shall not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on the Series A Bonds under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and that it will comply with the requirements of the Tax Certificate of the District with respect to the Series A Bonds, to be entered into by the District as of the date of issuance of the Series A Bonds, and further that such representation and covenant shall survive payment in full or defeasance of the Series A Bonds.

SECTION 16. Continuing Disclosure Certificate: The County acknowledges and relies upon the fact that the District has represented that it shall execute a Continuing Disclosure Certificate containing such covenants of the District as shall be necessary to comply with the requirements of Securities and Exchange Commission Rule 15c2-12, and that the District has covenanted that it will comply with and carry out all of the provisions of such Continuing Disclosure Certificate. The District shall function as or cause the appointment of a dissemination agent, who shall perform all duties and obligations of the Dissemination Agent as set forth in the Continuing Disclosure Certificate, and the County shall have no responsibilities either for compliance with the Continuing Disclosure Certificate or for the duties of the Dissemination Agent.

SECTION 17. Limited Responsibility for Official Statement: Neither the Board of Supervisors nor any officer of the County has prepared or reviewed the official statement of the District describing the Series A Bonds (the "Official Statement"), and this Board of Supervisors and the various officers of the County take no responsibility for the contents or distribution thereof; provided, however, that solely with respect to a section contained or to be contained therein describing the County's investment policy, current portfolio holdings, and valuation procedures, as they may relate to funds of the District, the Treasurer is hereby authorized and directed to prepare and review such information for inclusion in the District's Official Statement and in a preliminary Official Statement, and to certify to the District prior to or upon the issuance of the Series A Bonds that the information contained in such section does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they are made, not misleading.

SECTION 18. Approval of Actions: The Chair of this Board of Supervisors, the Executive Officer-Clerk of this Board of Supervisors, the County Auditor-Controller, the County Counsel, and the Treasurer and the deputies and designees of any of them, are hereby authorized



and directed to execute and deliver any and all certificates and representations, as may be acceptable to County Counsel, including signature certificates, no-litigation certificates, and other certificates proposed to be distributed in connection with the sale of the Series A Bonds, necessary and desirable to accomplish the transactions authorized herein.

SECTION 19. Effective Date: This resolution shall take effect from and after its adoption.

The foregoing resolution was on the \_\_\_\_ day of \_\_\_\_\_, 2003, adopted by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies and authorities for which the Board so acts.

VIOLET VARONA-LUKENS, Executive Officer-  
Clerk of the Board of Supervisors of the County of  
Los Angeles.

By: \_\_\_\_\_  
Deputy

APPROVED AS TO FORM:  
LLOYD W. PELLMAN  
County Counsel

By: Sheilah Curtis  
Deputy County Counsel



## EXHIBIT A

### [Form of Series A Bond]

Number UNITED STATES OF AMERICA Amount  
R-\_\_\_\_ STATE OF CALIFORNIA \$\_\_\_\_\_  
COUNTY OF LOS ANGELES

#### LOS ANGELES UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS ELECTION OF 2002, SERIES A (2003)

Maturity Date Interest Rate Dated as of CUSIP NO.  
\_\_\_\_ 1, \_\_\_\_ % \_\_\_\_ 1, 2003 \_\_\_\_\_

Registered Owner: CEDE & CO.

Principal Sum: \_\_\_\_\_ DOLLARS

Los Angeles Unified School District, County of Los Angeles, State of California (herein called the "District"), acknowledges itself indebted to and promises to pay to the registered owner identified above or registered assigns, on the maturity date set forth above or upon prior redemption hereof, the principal sum specified above in lawful money of the United States of America, and to pay interest thereon in like lawful money from the interest payment date next preceding the date of authentication of this bond (unless this bond is authenticated as of a date during the period from the Record Date (as defined herein) next preceding any interest payment date to such interest payment date, inclusive, in which event it shall bear interest from such interest payment date, or unless this bond is authenticated on or before \_\_\_\_ 15, \_\_\_\_, in which event it shall bear interest from the date hereof) at the interest rate per annum stated above, payable commencing on \_\_\_\_ 1, \_\_\_\_, and thereafter on \_\_\_\_ 1 and \_\_\_\_ 1 in each year, until payment of the principal sum hereof.

The principal hereof is payable to the registered owner hereof upon the surrender hereof at the principal corporate trust office (as defined in the Resolution) of \_\_\_\_\_ (herein called the "Paying Agent"), the paying agent/registrar and transfer agent of the District. The interest hereon is payable to the person whose name appears on the bond registration books of the Paying Agent as the registered owner hereof as of the close of business on the 15th day of the month preceding an interest payment date (the "Record Date"), whether or not such day is a business day, such interest to be paid by check or draft mailed to such registered owner at the owner's address as it appears on such registration books, or at such other address filed with the Paying Agent for that purpose. Upon written request, given no later than the Record Date immediately preceding an interest payment date, of the owner of Bonds (hereinafter defined) aggregating at least \$1,000,000 in principal amount, interest will be paid in immediately available funds (e.g., by wire transfer) to an account maintained in the United States as specified by the owner in such request. So long as Cede &



Co. or its registered assigns shall be the registered owner of this bond, payment shall be made in immediately available funds as provided in the Resolution hereinafter described.

This bond is one of a duly authorized issue of bonds of like tenor (except for such variations, if any, as may be required to designate varying series, numbers, denominations, interest rates, interest payment modes, maturities and redemption provisions), amounting in the aggregate to \$ \_\_\_\_\_, and designated as "Los Angeles Unified School District General Obligation Bonds, Election of 2002, Series A (2003)" (the "Bonds"). The Bonds were authorized by a vote of at least 55% of the voters voting at an election duly and legally called, held and conducted in the District on November 5, 2002, for the purpose of being applied to improve local schools and relieve classroom overcrowding, repair, renovate, acquire, lease school buildings, classrooms, libraries, restrooms, science laboratories, capital projects, upgrade fire/security systems, earthquake retrofitting, lighting, heating, acquire library books, eliminate hazards of asbestos, lead paint, upgrade wiring for computers, build neighborhood schools and to pay all necessary legal, financial, engineering and contingent costs in connection therewith.. The Bonds are issued and sold by the Board of Supervisors of the County of Los Angeles, State of California, pursuant to and in strict conformity with the provisions of the Constitution and laws of the State, and of a resolution (herein called the "Resolution") adopted by the Board of Supervisors on \_\_\_\_\_, 2003, and subject to the more particular terms specified in the Bond Purchase Agreement, dated as of \_\_\_\_\_, by and among the District, the County and \_\_\_\_\_, as representative of the underwriters of the Bonds.

The Bonds are issuable as fully registered bonds without coupons in the denomination of \$5,000 principal amount or any integral multiple thereof, provided that no Bond shall have principal maturing on more than one principal maturity date. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Resolution, Bonds may be exchanged for a like aggregate principal amount of Bonds of the same series, interest payment mode, and maturity of other authorized denominations.

This bond is transferable by the registered owner hereof, in person or by attorney duly authorized in writing, at the principal corporate trust office of the Paying Agent, but only in the manner, subject to the limitations and upon payment of the charges provided in the Resolution, and upon surrender and cancellation of this bond. Upon such transfer, a new Bond or Bonds of authorized denomination or denominations of the same series, maturity, interest payment mode, and interest rate for a like aggregate principal amount will be issued to the transferee in exchange herefor.

The County, the District and the Paying Agent may treat the registered owner hereof as the absolute owner hereof for all purposes, and the County, the District and the Paying Agent shall not be affected by any notice to the contrary.

Bonds maturing on or before \_\_\_\_\_ 1, \_\_\_\_\_, shall not be subject to redemption prior to their respective stated maturity dates. The Bonds maturing on or after \_\_\_\_\_ 1, \_\_\_\_\_, shall be subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, as a whole or in part on any date on or after \_\_\_\_\_ 1, \_\_\_\_\_. If less than all of the Bonds are called for redemption, such bonds shall be redeemed in inverse order of maturities or as otherwise directed by the District, and if less than all of the Bonds of



any given maturity are called for redemption, the portions of such bonds of a given maturity to be redeemed shall be determined by lot.

Bonds redeemed at the option of the District shall be redeemed at the following prices (expressed as a percentage of the principal amount of the Bonds called for redemption), together with interest accrued thereon to the date of redemption:

<u>Redemption Date</u>	<u>Optional Redemption Price</u>
____ 1, ____ through ____ 30, ____	%
____ 1, ____ through ____ 30, ____	%
____ 1, ____ and thereafter	%

Bonds maturing on \_\_\_\_ 1, \_\_\_\_, are subject to redemption prior to maturity in part, by lot, at the principal amount thereof plus accrued interest to the date of redemption, without premium, from mandatory sinking fund payments on \_\_\_\_ 1 of each year in the amounts and at the times indicated below, and subject to the terms and conditions set forth in the Resolution.

\$ \_\_\_\_\_ TERM BOND MATURING ON \_\_\_\_ 1, \_\_\_\_

Mandatory Sinking Fund

Payment Date

( \_\_\_\_ 1 )

Mandatory Sinking Fund Payment

\*

\_\_\_\_\_  
\*Maturity

Notice of redemption shall be given by mail not less than thirty (30) nor more than sixty (60) days prior to the redemption date to the registered owner hereof, but neither failure to receive such notice or any defect in the notice mailed shall affect the sufficiency of the proceedings for redemption or the cessation of interest on the date fixed for redemption. If this bond is called for redemption and payment is duly provided therefor, interest shall cease to accrue hereon from and after the date fixed for redemption.

In reliance upon the representations, certifications and declarations of the District, the Board of Supervisors hereby certifies and declares that the total amount of indebtedness of the District, including the amount of this bond, is within the limit provided by law; that all acts, conditions and things required by law to be done or performed precedent to and in the issuance of this bond have been done and performed in strict conformity with the laws authorizing the issuance of this bond; and that this bond is in substantially the form prescribed by order of the Board of Supervisors duly made and entered on its minutes. The Bonds represent an obligation of the District payable out of the interest and sinking fund of the District, and the money for the



payment of principal of, premium, if any, and interest hereon, shall be raised by taxation upon the taxable property of the District.

This bond shall not be entitled to any benefit under the Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been signed by the Paying Agent.

IN WITNESS WHEREOF the County of Los Angeles has caused this bond to be executed on behalf of the District and in their official capacities by manual or facsimile signatures of the Chair of the Board of Supervisors of the County and the Treasurer and Tax Collector of the County, and to be countersigned by the manual or facsimile signature of the Executive Officer-Clerk of the Board of Supervisors of the County, all as of the date set forth above.

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Chair of the Board of Supervisors

[SEAL]

---

Treasurer and Tax Collector

Countersigned:

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Executive Officer-Clerk of the Board of Supervisors



PAYING AGENT'S CERTIFICATE OF AUTHENTICATION  
AND REGISTRATION

This is one of the Bonds described in the within-mentioned Resolution and authenticated and registered on \_\_\_\_\_, 2003.

\_\_\_\_\_,  
Los Angeles, California, as Paying Agent/Registrar  
and Transfer Agent

By \_\_\_\_\_  
Authorized Officer

DTC LEGEND

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.



## ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto \_\_\_\_\_ the within-mentioned Registered Bond and hereby irrevocably constitute(s) and appoint(s) \_\_\_\_\_ attorney, to transfer the same on the books of the Paying Agent/Registrar and Transfer Agent with full power of substitution in the premises.

\_\_\_\_\_  
I.D. Number

\_\_\_\_\_  
NOTE: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Registered Bond in every particular, without alteration or enlargement or any change whatsoever.

Dated: \_\_\_\_\_

Signature Guarantee: \_\_\_\_\_

Notice: Signature must be guaranteed by an eligible guarantor institution.



## EXECUTIVE OFFICER'S CERTIFICATE

I, Jefferson Crain, Executive Officer of the Board of Education of the Los Angeles Unified School District, County of Los Angeles, California, hereby certify as follows:

The attached is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Education of said District duly and regularly held at the regular meeting place thereof on 1/28/, 2003, and entered in the minutes thereof, of which meeting all of the members of said Board of Education had due notice and at which a quorum thereof was present; and at said meeting said resolution was adopted by the following vote:

AYES: 4

NOES: 0

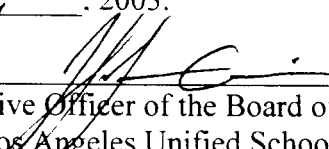
ABSTAIN: 0

ABSENT: 3

An agenda of said meeting was posted at least 72 hours before said meeting at 333 South Beaudry Avenue, Los Angeles, California, a location freely accessible to members of the public, and a brief description of said resolution appeared on said agenda. A copy of said agenda is attached hereto.

I have carefully compared the same with the original minutes of said meeting on file and of record in my office. Said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

WITNESS my hand this 28 day of January, 2003.

  
\_\_\_\_\_  
Executive Officer of the Board of Education of  
Los Angeles Unified School District



## ATTACHMENT A

RESOLUTION OF THE BOARD OF EDUCATION OF THE LOS ANGELES UNIFIED SCHOOL DISTRICT PRESCRIBING THE TERMS OF SALE OF BONDS OF THE DISTRICT, REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES TO ISSUE AND SELL SAID BONDS IN AN AMOUNT NOT TO EXCEED \$2,450,000,000 BY NEGOTIATED SALE PURSUANT TO A BOND PURCHASE AGREEMENT, AUTHORIZING THE EXECUTION AND DELIVERY OF SAID BOND PURCHASE AGREEMENT, AUTHORIZING THE PREPARATION AND DISTRIBUTION OF AN OFFICIAL STATEMENT FOR SAID BONDS, AND AUTHORIZING THE EXECUTION OF NECESSARY CERTIFICATES RELATING TO SAID BONDS

WHEREAS, voters of the State of California enacted Proposition 39 on November 7, 2000 (together with Chapter 1.5, Part 10, Division 1, Title 1 (commencing with Section 15264) of the Education Code of the State of California (the "Education Code") which became operative and established requirements associated with the implementation of Proposition 39, "Proposition 39"), which amends Section 1(b) of Article XIII A of the California Constitution by adding a provision that exempts from the one percent of full cash value limitation, those *ad valorem* taxes used to pay for debt service of any bonded indebtedness of any school district or community college district for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities, upon approval by at least 55% of the votes cast by voters voting on the proposition; and

WHEREAS, an election was duly called and regularly held in the Los Angeles Unified School District, County of Los Angeles, California (the "District"), on November 5, 2002, pursuant to Proposition 39, at which the proposition attached hereto as Exhibit A ("Measure K"); was submitted to the electors of the District; and

WHEREAS, at least 55% of the votes cast on said proposition were in favor of issuing said bonds; and

WHEREAS, this Board of Education deems it necessary and desirable that the Board of Supervisors of the County of Los Angeles (the "County") shall authorize and consummate the sale of bonds pursuant to the Authorization in one or more series designated the "Los Angeles Unified School District General Obligation Bonds, Election of 2002, Series A (2003)" (or such additional or other series designations as may be approved in accordance with Section 11, the "Series A Bonds" or the "Bonds"), in an aggregate principal amount not exceeding \$2,450,000,000 according to the terms and in the manner hereinafter set forth; and

WHEREAS, this Board of Education further deems it necessary and desirable to authorize the sale of the Bonds by a negotiated sale pursuant to a Bond Purchase Agreement (the "Bond Purchase Agreement") to be entered into with the underwriters (the "Underwriters") named in Accounting and Disbursement Division Communication No. 2; and

WHEREAS, all acts, conditions and things required by law to have been done or performed to date in the issuance of the Bonds have been done and performed in strict



conformity with the laws authorizing the issuance thereof, and the indebtedness of the District herein proposed is within all limits prescribed by law; and

NOW, THEREFORE, THE BOARD OF EDUCATION OF LOS ANGELES UNIFIED SCHOOL DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER. AS FOLLOWS:

Section 1.      Recitals: All of the above recitals are true and correct.

Section 2.      Purpose of Bonds. Certain proceeds of the Bonds will be applied for the purposes specified in Measure K.

Section 3.      Request for Sale of Bonds: The Board of Supervisors of the County is hereby requested to sell by negotiated sale to the Underwriters, not to exceed \$2,450,000,000 aggregate principal amount of general obligation bonds of the Los Angeles Unified School District and to designate said bonds to be sold as the "Los Angeles Unified School District General Obligation Bonds, Election of 2002, Series A (2003)" with such additional or other series designations as may be approved in accordance with Section 11.

Section 4.      Terms of Bonds:

(a)      Date of Bonds. The Series A Bonds shall be dated March 1, 2003, or such other date or dates as shall be set forth in the Bond Purchase Agreement described in Section 5 hereof.

(b)      Maturity. The Series A Bonds shall mature on the dates, in each of the years, in the principal amounts and in the aggregate principal amount as shall be set forth in the Bond Purchase Agreement. No Series A Bond shall mature later than a date which is 25 years from the date of the Series A Bonds, to be determined as set forth in the Bond Purchase Agreement.

(c)      Interest Payment. The Series A Bonds shall bear interest computed on the basis of a 360-day year of twelve (12) 30-day months (or computed on such other basis as shall be set forth in the Bond Purchase Agreement), first payable on January 1, 2004, and thereafter on January 1 and July 1 in each year (or on such other interest payment dates as shall be set forth in the Bond Purchase Agreement).

(d)      Obligation. The obligation to pay principal and interest represented by the Bonds is a statutory obligation of the District and the County, payable as described in the Bond Purchase Agreement. The District hereby requests the Board of Supervisors of the County to annually levy a tax upon all taxable property in the District sufficient to pay the principal, redemption premium, if any, and interest on the Series A Bonds as and when the same become due.

Section 5.      Redemption Provisions: The Series A Bonds shall be subject to redemption prior to their respective stated maturity dates at the option of the District as set forth in the Bond Purchase Agreement and in the Series A Bonds. The Series A Bonds shall also be subject to mandatory sinking fund redemption, as specified in the Bond Purchase Agreement and in the Series A Bonds. The Bond Purchase Agreement may provide that the Series A Bonds or any portion thereof shall not be subject to optional or mandatory sinking fund redemption.



Section 6. Bond Purchase Agreement; Sale of Bonds: The Chief Financial Officer of the District (the "Chief Financial Officer"), the Controller of the District (the "Controller"), or any other officer of the District authorized by the Chief Financial Officer (an "Authorized Officer" or "Authorized Officers") is hereby authorized and directed on behalf of the District to sell the Series A Bonds through a negotiated sale to the Underwriters, and to execute and approve a bond purchase agreement (the "Bond Purchase Agreement") providing for the sale by the Board of Supervisors of the County and the purchase by the Underwriters of the Series A Bonds at a purchase price to be set forth therein; provided, that (i) the true interest cost for the Series A Bonds shall not be in excess of 8% per annum; (ii) the maximum interest rate (coupon) on the Series A Bonds shall not be in excess of 8% per annum; (iii) the underwriter's discount shall not exceed 1% of the principal amount of the Series A Bonds; and (iv) the Series A Bonds shall otherwise conform to the limitations specified herein. Such execution shall constitute conclusive evidence of the approval by the District of the Bond Purchase Agreement in the form finally executed. The Board of Supervisors of the County is hereby requested to cause the Bond Purchase Agreement to be executed and delivered on behalf of the County, subject to such changes or revisions therein as may be acceptable to the District and to the Board of Supervisors of the County.

Section 7. Official Statement: Any Authorized Officer is hereby authorized and directed on behalf of the District to prepare or cause to be prepared an Official Statement relating to the Series A Bonds, and the Underwriters are hereby authorized to distribute copies of such Official Statement in preliminary form to persons who may be interested in purchasing the Series A Bonds. Any Authorized Officer is hereby authorized to certify to the Underwriters, on behalf of the District, that the preliminary form of the Official Statement was deemed final as of its date, within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (except for the omission of certain final pricing, rating and related information as permitted by said Rule). The Chief Financial Officer (or other Authorized Officer) is hereby authorized and directed to sign said Official Statement in its final form, including the final pricing information, and the Underwriters are hereby authorized and directed to deliver copies of such Official Statement in final form to the purchasers of the Series A Bonds.

Section 8. Investment of Proceeds. Proceeds of the Series A Bonds held by the Treasurer and Tax Collector of the County (the "Treasurer") shall be invested at the Treasurer's discretion pursuant to law and the investment policy of the County, unless otherwise directed in writing by the District.

(i) At the written direction of the District, given by an Authorized Officer, who is hereby expressly authorized to give such direction, all or any portion of the proceeds of the Series A Bonds deposited in the building fund of the District (the "Building Fund") may be invested on behalf of the District in the Local Agency Investment Fund in the treasury of the State of California.

(ii) At the written direction of the District, given by an Authorized Officer, who is hereby expressly authorized to give such direction, all or any portion of the Building Fund of the District may be invested on behalf of the District, in investment agreements, including guaranteed investment contracts, which comply with the requirements of each



rating agency then rating the Series A Bonds necessary in order to maintain the then-current rating on the Series A Bonds.

Section 9. Tax Covenants:

(a) General. The District shall not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on the Series A Bonds under Section 103 of the Internal Revenue Code of 1986 (the "Code"). Without limiting the generality of the foregoing, the District hereby covenants that it will comply with the requirements of the Tax Certificate of the District with respect to the Series A Bonds (the "Tax Certificate"), to be entered into by the District on the date of issuance of the Series A Bonds. The provisions of this subsection (a) shall survive payment in full or defeasance of the Series A Bonds.

(b) Yield Restriction. In the event that at any time the District is of the opinion that for purposes of this Section it is necessary or helpful to restrict or limit the yield on the investment of any monies held by the Treasurer or any other party on behalf of the District, in accordance with this Resolution or pursuant to law, the District shall so request of the Treasurer or such other party in writing, and the District shall make its best efforts to ensure that the Treasurer or such other party shall take such action as may be necessary in accordance with such instructions.

(c) Reliance on Opinion of Bond Counsel. Notwithstanding any provision of this Section, if the District shall provide to the Treasurer an opinion of counsel of nationally recognized standing in the field of law relating to municipal bonds (an "Opinion of Bond Counsel") that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Series A Bonds, the Treasurer may conclusively rely on such Opinion of Bond Counsel in complying with the requirements of this Section and of the Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent.

Section 10. Continuing Disclosure: Any Authorized Officer is hereby authorized on behalf of the District to execute a Continuing Disclosure Certificate in substantially the form attached hereto as Exhibit B, with such changes thereto as deemed necessary in order to permit the Underwriters to comply with the requirements of Securities and Exchange Commission Rule 15c2-12. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of such Continuing Disclosure Certificate.

Section 11. Approval of Actions: The President of this Board of Education, the Executive Officer of this Board of Education, the Chief Financial Officer, the Controller, and any other Authorized Officer are hereby authorized and directed to execute and deliver any and all certificates and representations, including but not limited to (i) signature certificates, no-litigation certificates, certificates concerning the contents of the Official Statement, (ii) representation letters to The Depository Trust Company, (iii) the Tax Certificate, (iv) remarketing agreements and any other certificates proposed to be distributed in connection with the sale of the Series A Bonds, including in connection with any policy of municipal bond insurance or other credit enhancement, and (v) any investment agreements entered into pursuant



to the authority granted hereunder, which any of them deem necessary and desirable to accomplish the transactions authorized herein. All actions heretofore taken by the officers and agents of the Board with respect to the Series A Bonds are hereby approved, confirmed and ratified.

Section 12. Notice to California Debt and Investment Advisory Commission: The Executive Officer of this Board of Education is hereby authorized and directed to cause notices of the proposed sale and final sale of the Series A Bonds to be filed in a timely manner with the California Debt and Investment Advisory Commission pursuant to California Government Code Section 8855.

Section 13. Authorization to Enter into Contracts Pursuant to California Government Code Section 5922: Additionally, this Board of Education hereby finds, that it is necessary from time to time to enter into contracts, arrangements or a program of contracts for one or more of the purposes described in California Government Code Section 5922, including, without limitation, interest rate cap agreements, interest rate swap agreements, liquidity facility agreements, credit enhancement agreements, and other contracts of this type, and hereby finds that such arrangements are designed to reduce the amount of payments that may come due on the Series A Bonds, and to maintain a lower overall cost of borrowing for the District and/or to enhance the relationship between risk and return with respect to investments related to the Series A Bonds, and therefor authorizes any Authorized Officer to enter into such contracts on behalf of the District, and to pay to the provider of, or counter party to, each such agreement (or to a trustee or paying agent to facilitate transfer to the provider) available funds sufficient for the purpose of making payments due from time to time under any such arrangements and to pay incidental costs in connection therewith.

Section 14. Citizen's Oversight Committee. This Board of Education certifies that it shall establish and appoint an independent citizens' oversight committee pursuant to Section 15274 of the Education Code, to inform the public concerning the expenditure of proceeds of the Series A Bonds by the date specified in such Section 15274.

Section 15. Bond Accountability Measures. This Board of Education certifies that it will conduct an annual, independent performance and financial audits to ensure that the funds approved by the voters have been expended only for the purposes authorized by Measure K in accordance with Section 1(b) of Article XIII A of the California Constitution and Section 15264 *et seq.* of the Education Code. This Board of Education further certifies it will direct the Chief Financial Officer to cause to be filed with the Board no later than January 1, 2004, and at least once a year thereafter, the annual report required pursuant to Measure K and Section 53410 *et seq.* of the Government Code of the State of California.

Section 16. Filing with Board of Supervisors: Pursuant to Section 15140(a) of the Education Code, the Executive Officer of this Board of Education is hereby authorized and directed to file a certified copy of this Resolution with the Executive Officer-Clerk of the Board of Supervisors of the County.

Section 17. Filing with Auditor-Controller and Treasurer of the County. Pursuant to Section 15140(c) of the Education Code, the Executive Officer of this Board of Education or any

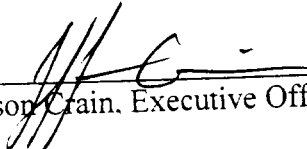


Authorized Officer is also directed to cause a certified copy of this Resolution, and a copy of the debt service schedule, to be provided to the Treasurer and the Auditor-Controller of the County.

Section 18. Other District Bonds. The issuance and sale of the Series A Bonds may be combined with the issuance and sale of any other bonds of the District.

Section 19. Effective Date: This resolution shall take effect from and after its adoption.

Adopted and signed this 28 day of January, 2003, by the Board of Education of the Los Angeles Unified School District.

  
\_\_\_\_\_  
Jefferson Crain, Executive Officer of the Board



§ \_\_\_\_\_

**LOS ANGELES UNIFIED SCHOOL DISTRICT**  
**(County of Los Angeles)**  
**General Obligation Bonds, Election of 2002, Series A (2003)**

**BOND PURCHASE AGREEMENT**

February \_\_, 2003

Board of Supervisors of the  
County of Los Angeles  
Office of the County Treasurer and Tax Collector  
Room 437, Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Los Angeles Unified School District  
c/o Office of the Chief Financial Officer  
355 S. Grand Avenue, 14<sup>th</sup> Floor  
Los Angeles, California 90071

Ladies and Gentlemen:

The undersigned, as representative (the "Representative") of the several Underwriters identified on the signature page hereof (collectively, the "Underwriters"), hereby offers to enter into this Bond Purchase Agreement (the "Purchase Agreement") with the County of Los Angeles, California (the "County") and the Los Angeles Unified School District (the "District"), which, upon your acceptance hereof, will be binding upon the County, the District and the Underwriters. By execution of this Agreement, the County acknowledges the terms hereof and recognizes that it will be bound by certain of the provisions hereof, and to the extent binding on the County, acknowledges and agrees to such terms. This offer is made subject to the written acceptance of this Purchase Agreement by the County and the District and delivery of such acceptance to us at or prior to 11:59 PM, California Time, on the date hereof.

1. **Purchase and Sale of the Bonds.** Upon the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriters hereby agree to purchase from the County for reoffering to the public, and the County hereby agrees to sell in the name and on behalf of the District to the Underwriters for such purpose, all (but not less than all) of the District's General Obligation Bonds, Election of 2002, Series A (2003) (the "Bonds") in an aggregate principal amount of \$ \_\_\_\_\_. The Bonds shall bear interest at the rates and shall mature in the years as set forth in Exhibit A hereto.

The Underwriters shall purchase the Bonds at a price of \$ \_\_\_\_\_ (which represents the aggregate principal amount of the Bonds, plus a premium of \$ \_\_\_\_\_, and net of original issue premium retained by the Underwriters to pay estimated costs of issuance in



the amount of \$\_\_\_\_\_, Underwriters' discount in the amount of \$\_\_\_\_\_ and the municipal bond insurance premium of \$\_\_\_\_\_) in immediately available funds by check, draft or wire transfer to or upon the order of the District.

2. **The Bonds.** The Bonds shall be dated their date of delivery and shall mature on the dates and be subject to redemption prior to their maturity all as set forth in Exhibit A hereto. The Bonds shall otherwise be as described in, and shall be issued and secured pursuant to the provisions of Section 15100, *et seq.*, of the California Education Code, as amended (the "Act"), a Resolution of the Board of Education of the District on January 28, 2003 (the "District Resolution"), and a Resolution of the Board of Supervisors of the County (the "Board") on February 11, 2003 (the, "County Resolution" and together with the "District Resolution," the "Resolution") authorizing the issuance of not to exceed \$\_\_\_\_\_ of general obligation bonds on behalf of the District.

Delivered to the County herewith is a check payable to the order of the County in the amount of one percent (1%) of the aggregate principal amount of the Bonds, as a good-faith deposit for the performance by the Underwriters of their obligations to accept and pay for the Bonds at the Closing in accordance with the provisions of this Purchase Agreement. Such check shall not be cashed by the County pending the Closing except as provided below. At the Closing, the good-faith check will be returned to the Underwriters for cancellation. In the event the County and the District do not accept this offer, such check shall be returned to the Representative immediately. In the event of the District's inability to deliver the Bonds at the Closing, or if the District or the County is unable to satisfy the conditions to the Underwriters' obligations contained herein (unless such conditions are waived by the Underwriters), or if the Underwriters' obligations shall be terminated for any reason permitted hereby, such check or the amount thereof, without interest, shall be returned to the Representative immediately and such return shall constitute a full release and discharge of all claims by the Underwriters against the County and the District arising out of the transactions contemplated by this Purchase Agreement. In the event that the Underwriters fail (other than for a reason permitted hereby) to accept and pay for the Bonds at the Closing as herein provided, the proceeds of such check shall be retained and applied by the County and the District in full and complete liquidated damages (and not as a penalty) for such failure and as a discharge of all damages suffered on the part of the County and the District as a result of such failure.

The Bonds shall be executed and delivered under and in accordance with the provisions of this Purchase Agreement and the Resolution. The Bonds shall be in definitive form, shall bear CUSIP numbers, shall be in fully registered form, registered in the name of Cede & Co., as nominee of the Depository Trust Company, New York, New York ("DTC"). The payment of principal of and interest (but not any prepayment premium) on a portion of the Bonds will be secured by a municipal bond insurance policy (the "Insurance Policy") to be issued simultaneously with the issuance of the Bonds by \_\_\_\_\_ (the "Insurer").

3. **Use of Documents.** The District and the County hereby authorize the Underwriters to use, in connection with the offer and sale of the Bonds, the Resolution, this Purchase Agreement, a Preliminary Official Statement and an Official Statement (both as defined below), and all information contained herein and therein and all of the documents,



certificates or statements furnished by the District or the County to the Underwriters in connection with the transactions contemplated by this Purchase Agreement.

4. **Public Offering of the Bonds.** The Underwriters agree to make a bona fide public offering of all the Bonds at the initial public offering prices or yields as set forth in Exhibit A hereto. Subsequent to such initial public offering, the Underwriters reserve the right to change such initial public offering prices or yields as they deem necessary in connection with the marketing of the Bonds.

5. **Review of Official Statement.** The Underwriters hereby represent that they have received and reviewed the official statement in preliminary form with respect to the Bonds, dated \_\_\_\_\_, 2003 (the "Preliminary Official Statement"). The District represents that it deems the Preliminary Official Statement to be final as of its date, except for either revisions or additions to the offering prices, interest rates, yields to maturity, selling compensation, aggregate principal amount, principal amount per maturity, delivery date, ratings, credit enhancement and other terms of the Bonds which depend upon the foregoing as provided in and pursuant to Rule 15c2-12 of the Securities and Exchange Commission under the Securities and Exchange Act of 1934, as amended (the "Rule").

The Underwriters agree that prior to the time the final official statement (the "Official Statement") relating to the Bonds is available, the Underwriters will send to any potential purchaser of the Bonds, upon the request of such potential purchaser, a copy of the most recent Preliminary Official Statement. Such Preliminary Official Statement shall be sent by first class mail (or other equally prompt means) not later than the first business day following the date upon which each such request is received.

The Underwriters agree to file the final Official Statement with a nationally recognized municipal securities repository within the meaning of and with the effect described in said Rule 15c2-12.

References herein to the Preliminary Official Statement and the Official Statement include the cover page and all appendices, exhibits, maps, reports and statements included therein or attached thereto.

6. **Closing.** At 8:00 a.m., California Time, on March \_\_, 2003, or at such other time or on such other date as shall have been mutually agreed upon by the parties hereto (the "Closing"), the District will direct U.S. Bank, N.A., as paying agent and registrar for the Bonds ("Paying Agent") to deliver to the Underwriters, at the offices of DTC in New York, New York, or at such other place as the District and the Underwriters may mutually agree upon, the Bonds in fully registered book-entry form, duly executed, together with the other documents hereinafter mentioned. Upon fulfillment of all conditions to Closing herein, the Underwriters will accept such delivery and pay the purchase price thereof in immediately available funds (by check, wire transfer or such other manner of payment as the Underwriters and the County Treasurer and Tax Collector (the "Treasurer") shall reasonably agree upon) to the order of the Treasurer.

7. **Representations, Warranties and Agreements of the District.** The District hereby represents, warrants and agrees with the Underwriters that:



A. The District is a unified school district validly existing under the laws of the State of California, with the power to issue the Bonds pursuant to the Act.

B. (i) At or prior to the Closing, the District will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds; (ii) the District has full legal right, power and authority to enter into this Purchase Agreement, to adopt the District Resolution, to issue and to deliver the Bonds, to perform its obligations under each such document or instrument, and to carry out and effectuate the transactions contemplated by this Purchase Agreement and the District Resolution; (iii) the execution and delivery or adoption of, and the performance by the District of the obligations contained in the Bonds, the District Resolution, the County Resolution and this Purchase Agreement have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) this Purchase Agreement constitutes a valid and legally binding obligation of the District, enforceable against the District in accordance with its terms; and (v) the District has duly authorized the consummation by it of all transactions contemplated by this Purchase Agreement.

C. No consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Bonds or the consummation of the other transactions effected or contemplated herein or hereby, except for such actions as may be necessary to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriters may reasonably request, or which have not been taken or obtained; *provided, however*, that the District shall not be required to subject itself to service of process in any jurisdiction in which it is not so subject as of the date hereof.

D. To the best knowledge of the District, the issuance of the Bonds, the execution, delivery and performance of this Purchase Agreement, the District Resolution, the Bonds, and the compliance with the provisions hereof do not conflict with or constitute on the part of the District a violation of, or material default under, the Constitution of the State of California or any existing law, charter, ordinance, regulation, decree, order or resolution and do not conflict with or result in a violation or breach of, or constitute a material default under, any agreement, indenture, mortgage, lease or other instrument to which the District is a party or by which it is bound or to which it is subject.

E. As of the time of acceptance hereof, no action, suit, proceeding, hearing or investigation is pending (in which service of process has been completed against the District) or, to the best knowledge of the District, threatened against the District: (i) in any way affecting the existence of the District or in any way challenging the respective powers of the several offices of the titles of the officials of the District to such offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Bonds, the application of the proceeds of the sale of the Bonds, or the levy of any taxes contemplated by the District Resolution, or in any way contesting or affecting the validity or enforceability of the Bonds, this Purchase Agreement or the District Resolution or contesting the powers of the District or its authority with respect to the Bonds, the



District Resolution or this Purchase Agreement; or (iii) in which a final adverse decision could (a) materially adversely affect the operations of the District or the consummation of the transactions contemplated by this Purchase Agreement or the District Resolution, (b) declare this Purchase Agreement to be invalid or unenforceable in whole or in material part, or (c) adversely affect the exclusion of the interest paid on the Bonds from gross income for federal income tax purposes and the exemption of such interest from California personal income taxation.

F. Between the date hereof and the Closing, without the prior written consent of the Underwriters, the District will not have issued in the name and on behalf of the District any bonds, notes or other obligations for borrowed money except for such borrowing as may be described in or contemplated by the Official Statement.

G. The District has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the District is a bond issuer whose arbitrage certificates may not be relied upon.

H. To assist the Underwriters in complying with S.E.C. Rule 15c2-12(b)(5), the District will undertake, pursuant to the Resolution and a Continuing Disclosure Certificate, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement.

I. Any certificates signed by any officer of the District and delivered to the Underwriters shall be deemed a representation and warranty by the District to the Underwriters, but not by the person signing the same, as to the statements made therein.

J. Preparation and distribution of the Official Statement pertaining to the Bonds has been duly authorized by the District, and the information contained therein (excluding the statements and information in Appendix F – “BOOK - ENTRY ONLY SYSTEM,” any information relating to the Insurer or the Insurance Policy and any information provided by the Underwriters for inclusion in the Official Statement) is true and correct in all material respects and such information does not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

K. The District agrees that if at any time before the Closing any event occurs as a result of which the Official Statement as then in effect would include any untrue statement of a material fact or omit to state any fact necessary to make the statements made therein not misleading in any material respect, the District shall promptly prepare an amendment or supplement that will correct such statement or omission. The District will advise the Underwriters promptly of any proposal to so amend or supplement the Official Statement and will effect such amendment or supplement in a form and manner approved by the Underwriters.



8. **Representations, Warranties and Agreements of the County.** The County hereby represents, warrants and agrees with the Underwriters that:

A. The County has the power under the laws of the State of California to issue the Bonds pursuant to the Act.

B. (i) At or prior to the Closing, the County will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds; (ii) the County has full legal right, power and authority to enter into this Purchase Agreement, to adopt the County Resolution, to issue and deliver the Bonds to the Underwriters on behalf of the District and to perform its obligations under each such document or instrument, and to carry out and effectuate the transactions contemplated by this Purchase Agreement and the Resolution; (iii) the execution and delivery or adoption of, and the performance by the County of its obligations contained in the Bonds, the County Resolution and this Purchase Agreement have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) this Purchase Agreement constitutes a valid and legally binding obligation of the County, enforceable against the County in accordance with its terms; and (v) the County has duly authorized the consummation by it of all transactions contemplated by this Purchase Agreement.

C. No consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Bonds or the consummation of the other transactions effected or contemplated herein or hereby, except for such actions as may be necessary to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriters may reasonably request, or which have not been taken or obtained; *provided, however*, that the County shall not be required to subject itself to service of process in any jurisdiction in which it is not so subject as of the date hereof.

D. To the best knowledge of the County, the issuance of the Bonds, the execution, delivery and performance of this Purchase Agreement, the County Resolution and the Bonds, and the compliance with the provisions hereof do not conflict with or constitute on the part of the County a violation of, or material default under, the Constitution of the State of California or any existing law, charter, ordinance, regulation, decree, order or resolution and do not conflict with or result in a violation or breach of, or constitute a material default under, any agreement, indenture, mortgage, lease or other instrument to which the County is a party or by which it is bound or to which it is subject.

E. As of the time of acceptance hereof, no action, suit, proceeding, hearing or investigation is pending (in which service of process has been completed against the County) or, to the best knowledge of the County, threatened against the County: (i) in any way affecting the existence of the County or in any way challenging the respective powers of the several offices of the titles of the officials of the County to such offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Bonds, the application of the proceeds of the sale of the Bonds, tax levy or the pledge thereof, or in



any way contesting or affecting the validity or enforceability of the Bonds, this Purchase Agreement or the County Resolution or contesting the powers of the County or its authority with respect to the Bonds, the County Resolution or this Purchase Agreement; or (iii) in which a final adverse decision could (a) materially adversely affect the operations of the County or the consummation of the transactions contemplated by this Purchase Agreement or the County Resolution, (b) declare this Purchase Agreement to be invalid or unenforceable in whole or in material part, or (c) adversely affect the exclusion of the interest paid on the Bonds from gross income for federal income tax purposes and the exemption of such interest from California personal income taxation.

F. Between the date hereof and the Closing, without the prior written consent of the Underwriters, the County will not have issued in the name and on behalf of the District any bonds, notes or other obligations for borrowed money except for such borrowing as may be described in or contemplated by the Official Statement.

G. Any certificates signed by any officer of the County and delivered to the Underwriters shall be deemed a representation and warranty by the County to the Underwriters, but not by the person signing the same, as to the statements made therein.

9. **Representations, Warranties and Agreements of the Underwriters.** The Underwriters represent to and agree with the District and the County that, as of the date hereof and as of the date of Closing:

A. The Underwriters are duly authorized to execute this Purchase Agreement and to take any action under the Purchase Agreement required to be taken by the Underwriters.

B. The Underwriters have, and have had, no financial advisory relationship with the District or the County with respect to the Bonds, and no investment firm controlling, controlled by or under common control with any of the Underwriters has or has had any such financial advisory relationship.

10. **Covenants of the County and the District.** The County and the District respectively covenant and agree with the Underwriters that:

A. The County and the District will furnish such information, execute such instruments, and take such other action in cooperation with the Underwriters if and as the Underwriters may reasonably request in order to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations or such states and jurisdictions, *provided, however*, that the District and the County shall not be required to consent to service of process in any jurisdiction in which they are not so subject as of the date hereof;

B. The District hereby agrees to deliver or cause to be delivered (and the County agrees to cooperate with the District in connection with such delivery) to the Underwriters, not later than the seventh (7th) business day following the date the Purchase Agreement is signed, copies of a final Official Statement substantially in the form of the Preliminary Official Statement, with only such changes therein as shall have



been accepted by the Underwriters, the County, and the District (such Official Statement with such changes, if any, and including the cover page and all appendices, exhibits, maps, reports and statements included therein or attached thereto being herein called the "Official Statement") in such quantities as may be requested by the Underwriters in order to permit the Underwriters to comply with paragraph (b)(4) of the Rule and with the rules of the Municipal Securities Rulemaking Board. The District and the County hereby authorize the Underwriters to use and distribute the Official Statement in connection with the offering and sale of the Bonds;

C. The District hereby agrees to notify the Underwriters of any event or occurrence that may affect the accuracy or completeness of any information set forth in the Official Statement relating to the District until the date which is twenty-five (25) days following the closing.

D. For a period of twenty-five (25) days after the Closing or until such time (if earlier) as the Underwriters shall no longer hold any of the Bonds for sale, the District will not adopt any amendment of or supplement to the Official Statement to which, after having been furnished with a copy, the Underwriters shall object in writing or which shall be disapproved by the Underwriters; and if any event relating to or affecting the County, the District or the Bonds shall occur as a result of which it is necessary, in the opinion of the Underwriters, to amend or supplement the Official Statement in order to make the Official Statement not misleading in light of the circumstances existing at the time it is delivered to a purchaser, the Underwriters shall forthwith prepare and furnish (at the expense of the District) a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to the Underwriters) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to a purchaser, not misleading.

11. **Division of Responsibility Between District and County.** It is specifically acknowledged and agreed by and between the District and the County that the County shall have no responsibility or liability to ensure or provide compliance with those provisions of this Purchase Contract which are to be performed solely by the District.

12. **Conditions to Closing.** The Underwriters have entered into this Purchase Agreement in reliance upon the representations and warranties of the County and the District contained herein and the performance by the District of its obligations hereunder, both as of the date hereof and as of the date of Closing. The Underwriters' obligations under this Purchase Agreement are and shall be subject at the option of the Underwriters, to the following further conditions at the Closing:

A. At the time of the Closing, (i) the Official Statement, this Purchase Agreement, the District Resolution and the County Resolution shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the parties hereto; (ii) all actions under the Act which, in the opinion of Co-Bond Counsel, shall be necessary in connection with the transactions



contemplated hereby, shall have been duly taken and shall be in full force and effect; and (iii) the County and the District shall perform or have performed all of their obligations required under or specified in the District Resolution, the County Resolution, this Purchase Agreement or the Official Statement to be performed at or prior to the Closing;

B. No decision, ruling or finding shall have been entered by any court or governmental authority since the date of this Purchase Agreement (and not reversed on appeal or otherwise set aside), or to the best knowledge of the County or the District, pending (in which service of process has been completed against the County or the District) or threatened which has any of the effects described in Section 7E or 8E hereof or contesting in any way the completeness or accuracy of the Official Statement.

C. Between the date hereof and the Closing, the market price for the Bonds, or the market for or marketability or the ability of the Underwriters to enforce contracts for the sale of the Bonds at the initial offering prices set forth in the Official Statement, shall not have been materially adversely affected by reason of any of the following:

(1) legislation enacted by the Congress of the United States, or by the legislature of the State of California (the "State"), or introduced in the Congress or recommended for passage by the President of the United States, or a decision rendered by a court of the United States or the State or by the United States Tax Court, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made:

(i) by or on behalf of the United States Treasury Department, or by or on behalf of the Internal Revenue Service or other federal or State authority, which would have the purpose or effect of changing, directly or indirectly, the federal income tax consequences or State tax consequences of interest on obligations of the general character of the Bonds in the hands of the holders thereof; or

(ii) by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter thereof, to the effect that the Bonds, or obligations of the general character of the Bonds, including any and all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended; provided that no opinion need be expressed with respect to the Insurance Policy;

(2) the declaration of war or engagement in major military hostilities by the United States or the occurrence of any other national or international emergency or calamity or crisis relating to the effective operation of the government or the financial community in the United States;

(3) the declaration of a general banking moratorium by federal, New York or State authorities having jurisdiction, or the general suspension of trading on any national securities exchange or fixing of minimum or maximum prices for



trading or maximum ranges for prices for securities on any national securities exchange, whether by virtue or a determination by that exchange or by order of the Securities and Exchange Commission or any other governmental authority having jurisdiction;

(4) the imposition by the New York Stock Exchange, other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Bonds, or obligations of the general character of the Bonds, or securities generally, or the material increase of any such restrictions now in force;

(5) an order, decree or injunction of any court of competent jurisdiction, or order, filing, regulation or official statement by the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter thereof, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, as contemplated hereby or by the Official Statement, is or would be in violation of the Federal securities laws, as amended and then in effect;

(6) the withdrawal or downgrading of any rating of the District's outstanding indebtedness by a national rating agency; or

(7) any event occurring, or information becoming known which, in the reasonable judgment of the Underwriters, makes untrue in any material adverse respect any statement or information set forth in the Official Statement, or has the effect that the Official Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

D. At or prior to the date of the Closing, the Underwriters shall have received the following documents, in each case dated as of the Closing Date and satisfactory in form and substance to the Underwriters:

(1) An approving opinion of Sidley Austin Brown & Wood LLP and Curlls Brown LLP, Co-Bond Counsel, substantially in the form attached as Appendix C to the Official Statement, dated the Closing Date and addressed to the County and the District;

(2) A reliance letter from Co-Bond Counsel to the effect that the Underwriters may rely upon the approving opinion described in E(1) above, together with an additional supplemental opinion in a form acceptable to the Underwriters, dated the Closing Date and addressed to the Underwriters, to the effect that:

(i) this Purchase Agreement has been duly authorized, executed and delivered by the District and, assuming due authorization,



execution and delivery by the Underwriters, constitutes a valid and binding agreement of the District, enforceable in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, arrangement, moratorium or other laws affecting the enforcement of creditors' rights generally and to the application of equitable principles (regardless of whether such enforceability is considered is equity or at law), to the exercise of judicial discretion in appropriate cases and the limitation on legal remedies against school districts in the State of California and except that no opinion is expressed with respect to any indemnification or contribution provisions contained in this Purchase Agreement;

(ii) the statements contained in the Official Statement in the sections entitled "The Bonds," (excluding the section entitled "- Application and Investment of Bond Proceeds") and "Tax Matters" insofar as such statements purport to expressly summarize certain provisions of the Resolution, the Bonds or the opinion of Co-Bond Counsel concerning certain federal and State of California tax matters relating to the Bonds, including the exclusion of interest on the Bonds from gross income for federal income tax purposes and the exemption of such interest from State of California personal income taxes, present an accurate summary in all material respects, of such provisions and opinions; provided that no opinion need be expressed with respect to the Insurance Policy; and

(iii) the Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and the County Resolution is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

(3) A certificate signed by an appropriate official of the District to the effect that (i) such official is authorized to execute this Purchase Agreement, (ii) the representations, agreements and warranties of the District herein are true and correct in all material respects as of the date of Closing, (iii) the District has complied with all the terms of the District Resolution, the County Resolution and the Continuing Disclosure Certificate to be complied with by the District prior to or concurrently with the Closing and such documents are in full force and effect, (iv) to the best of such official's knowledge, no litigation is pending (with service of process having been accomplished) or threatened (either in state or federal courts): (A) seeking to restrain or enjoin the execution, sale or delivery of any of the Bonds, (B) in any way contesting or affecting the authority for the execution, sale or delivery of the Bonds, the Continuing Disclosure Certificate or this Purchase Agreement, or (C) in any way contesting the existence or powers of the District; (v) such official has reviewed the Official Statement and on such basis certifies that the Official Statement does not contain any untrue statements of a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading,



(vi) each of the conditions listed in Section 12 of this Purchase Agreement has been satisfied on the date hereof and the District is not aware of any other condition of the Purchase Agreement that has not been satisfied on the date hereof, and (vii) the Bonds being delivered on the date of the Closing to the Underwriters under this Purchase Agreement substantially conform to the descriptions thereof contained in the County Resolution and this Purchase Agreement;

(4) A Continuing Disclosure Certificate signed by an appropriate official of the District and in form and substance reasonably satisfactory to the Underwriters;

(5) A certificate signed by appropriate officials of the County to the effect that (i) such officials are authorized to execute and to approve this Purchase Agreement, (ii) the representations, agreements and warranties of the County herein are true and correct in all material respects as of the date of Closing, (iii) the County has complied with all the terms of the County Resolution and this Purchase Agreement to be complied with by the County prior to or concurrently with the Closing, (iv) to the best of such official's knowledge, no litigation is pending in which service of process has been completed against the County or threatened (either in state or federal courts): (A) seeking to restrain or enjoin the execution, sale or delivery of any of the Bonds, (B) in any way contesting or affecting the authority for the execution, sale or delivery of the Bonds or this Purchase Agreement, or (C) in any way contesting the existence or powers of the County, (v) such official has reviewed the Official Statement section "Los Angeles County Investment Pool" and on such basis certifies that the Official Statement section "Los Angeles County Investment Pool" does not contain any untrue statements of a material fact concerning the County required to be stated therein or necessary to make the statements concerning the County therein, in light of the circumstances in which they were made, not misleading, (vi) each of the conditions listed in Section 12 of the Purchase Agreement has been satisfied on the date hereof and the County is not aware of any other condition of the Purchase Agreement that has not been satisfied on the date hereof, and (vii) the Bonds being delivered on the date of the Closing to the Underwriters under this Purchase Agreement substantially conform to the descriptions thereof contained in the County Resolution and this Purchase Agreement;

(6) A certificate of the Paying Agent dated the date of the Closing, signed by a duly authorized officer of the Paying Agent, and in form and substance satisfactory to the Underwriters, to the effect that:

(i) to the best of such officer's knowledge, the representations and agreements of the Paying Agent in the Paying Agent Agreement are true and correct in all material respects as of the date of the Closing; and

(ii) to the best of such officer's knowledge, no litigation is pending or threatened (either in state or federal courts) (A) seeking to



restrain or enjoin the delivery by the Paying Agent of any of the Bonds, or (B) in any way contesting or affecting any authority of the Paying Agent for the delivery of the Bonds or the validity or enforceability of the Bonds or the Paying Agent Agreement;

(7) A non-arbitrage certificate of the District in form satisfactory to Co-Bond Counsel;

(8) Evidence satisfactory to the Underwriters that the Insured Bonds shall have been rated “[AAA]” by Standard & Poor’s Ratings Services, “[Aaa]” by Moody’s Investor Service and “[AAA]” by Fitch Ratings (or such other equivalent rating as such rating agencies may give) and that the Bonds shall have been rated “[AA-]” by Standard & Poor’s Ratings Services, “[Aa3]” by Moody’s Investor Service and “[AA]” by Fitch Ratings (or such other ratings as such rating agencies may assign so long as such rating is in the investment grade category of each rating agency) and that such ratings have not been revoked or downgraded;

(9) The opinion of General Counsel to the District, addressed to the District, the County and the Underwriters, dated the Closing Date, to the effect that:

(i) the District is a school district validly existing under the Constitution and the laws of the State of California;

(ii) the Constitution and the laws of the State of California authorize the District to approve and authorize the execution and delivery of this Purchase Agreement and the Continuing Disclosure Certificate;

(iii) the District has full right and lawful authority to enter into and perform this Purchase Agreement and the Continuing Disclosure Certificate; and

(iv) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or public body, pending, or to his or her knowledge, threatened against the District contesting in any way the completeness or accuracy of the Official Statement or the due adoption of the District Resolution, and there is no breach or default under any other instruments which is caused by the issuance of the Bonds or the entering into this Purchase Agreement or Continuing Disclosure Certificate;

In addition, District Counsel will further state it is not representing the District in connection with any litigation of any nature to restrain or enjoin the execution or delivery of the Purchase Agreement, the Bonds or any of the proceedings taken with respect to the issuance of the Bonds, the application of monies to the payment of the Bonds or in any manner questioning the proceedings and authority under which the Bonds were authorized or challenging the validity of the Bonds, the existence or boundaries of the District or the title of the officials of the District or the County who have acted with



respect to the proceedings for the issuance of the Bonds on behalf of the District to their respective offices.

(10) the opinion of County Counsel for the County of Los Angeles, as counsel to the Board, addressed to the County and the Underwriters, dated the Closing Date, to the effect that:

(i) the County is a political subdivision duly organized and validly existing under the Constitution and the laws of the State of California;

(ii) the County Resolution approving and authorizing the execution, sale and delivery of the Purchase Agreement and the issuance of the Bonds was duly adopted at a meeting of the Board of Supervisors of the County, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting at the time of adoption;

(iii) to the best knowledge of County Counsel, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public authority or body, pending or threatened against the County (a) affecting the existence of the County or the titles of its officers who have acted with respect to the proceedings for issuance and sale of the Bonds to their respective officers; (b) seeking to prohibit, restrain or enjoin the execution of this Purchase Agreement or the issuance of the Bonds or in any way contesting or affecting the validity or enforceability of the Bonds, the Purchase Agreement, or the County Resolution; (c) contesting the powers of the County or its authority to enter into, adopt or perform its obligations under the County Resolution or the Purchase Agreement; or (d) seeking to restrain or enjoin the levy or collection of tax revenues pledged for payment of the Bonds;

(iv) the Purchase Agreement has been duly authorized, executed and delivered by the County and the Bonds have been duly authorized by the County, executed by the County on behalf of the District and delivered by the County and, assuming due authorization, execution and delivery by the other parties thereto, the Purchase Agreement will constitute the legal, valid and binding agreement of the County enforceable against the County in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles if equitable remedies are sought and by the limitations on legal remedies imposed on actions against counties in the State;



(11) The opinion of Hawkins, Delafield & Wood, counsel for the Underwriters, dated the date of Closing and addressed to the Underwriters, satisfactory in form and substance to the Underwriters;

(12) A certificate, together with a fully executed copy of the Resolution, of the Executive Officer of the District to the effect that:

(i) such copy is true and correct copy of the District Resolution; and

(ii) that the District Resolution was duly adopted and has not been modified, amended, rescinded or revoked and is in full force and effect on the date of the Closing;

(13) Certified copies of the County Resolution, certified by the Executive Officer - Clerk of the Board of Supervisors;

(14) Certificates of the appropriate officials of the District evidencing their determinations respecting the Preliminary Official Statement in accordance with the Rule;

(15) A policy of municipal bond insurance with respect to the Insured Bonds;

(16) A certificate of the Insurer in form and substance satisfactory to Co-Bond Counsel, County Counsel and counsel to the Underwriters;

(17) An opinion of counsel to the Insurer addressed to the District, the County and the Underwriters in form and substance satisfactory to Co-Bond Counsel, County Counsel and counsel to the Underwriters; and

(18) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriters may reasonably request to evidence compliance (i) by the County, the District, and the Paying Agent with legal requirements, (ii) the truth and accuracy, as of the time of Closing, of the representations of the County and the District herein contained, and (iii) the due performance or satisfaction by the County and the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the District.

If the County and/or the District shall be unable to satisfy the conditions to the Underwriters' obligations contained in this Purchase Agreement or if the Underwriters' obligations shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement may be canceled by the Underwriters at, or at any time prior to, the time of Closing. Notice of such cancellation shall be given to the County and the District in writing, or by telephone or telegraph, confirmed in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the County and the District hereunder and the performance of any and all conditions contained herein



for the benefit of the Underwriters may be waived by the Representative in writing at the sole discretion of the Underwriters.

13. **Conditions to Obligations of the County and the District.** The performance by the County and the District of their obligations is conditioned upon (i) the performance by the Underwriters of its obligations hereunder; and (ii) receipt by the District and the Underwriters of opinions and certificates being delivered at the Closing by persons and entities other than the County and the District.

14. **Expenses.** The Underwriters will pay certain expenses from the net original issue premium, including, but not limited to the following: (i) the costs of the preparation and reproduction of the Resolution; (ii) the fees and disbursements of Co-Bond Counsel; (iii) the cost of the preparation, printing and delivery of the Bonds; (iv) the fees, if any, for Bond ratings, including all necessary expenses for travel outside of California; (v) the cost of the printing and distribution of the Preliminary Official Statement and the Official Statement; (vi) the initial fees of the Paying Agent; (vii) the bond insurance premium and (viii) all other fees and expenses incident to the issuance and sale of the Bonds. All out-of-pocket expenses of the Underwriters, including the California Debt Advisory and Investment Commission fee, expenses for travel (including that connected with securing a rating on the Bonds) and other expenses (except as provided above), shall be paid by the Underwriters. The District shall pay all expenses incident to the performance of its obligations hereunder from the proceeds of the Bonds to the extent such expenses are not paid by the Underwriters.

15. **Terms and Conditions of Bonds.** By executing this Agreement, the Treasurer is exercising the authority granted to him under the County Resolution to determine the terms of the Bonds.

16. **Notices.** Any notice or other communication to be given under this Purchase Agreement (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing if to the County, to the Treasurer and Tax Collector of the County of Los Angeles at 437 Hall of Administration, 500 West Temple Street, Los Angeles, California 90012, if to the District, to the Chief Financial Officer of the Los Angeles Unified School District, 355 S. Grand Avenue, Los Angeles, California 90071, Attention: Chief Financial Officer or if to the Underwriters, to Merrill Lynch, Pierce, Fenner & Smith, Incorporated, Two California Plaza, 350 South Grand Avenue, Suite 2830, Los Angeles, California 90071, Attention: Ed Burdett.

17. **Severability.** In the event any provision of this Purchase Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

18. **Parties in Interest; Survival of Representations and Warranties.** This Purchase Agreement when accepted by the District in writing as heretofore specified shall constitute the entire agreement among the Board, the District and the Underwriters. This Purchase Agreement is made solely for the benefit of the Board, the District and the Underwriters (including the successors or assigns of the Underwriters). No person shall acquire or have any rights hereunder or by virtue hereof. All the representations, warranties and



agreements of the County and the District in this Purchase Agreement shall survive, unless waived by the Underwriters regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Underwriters, (b) delivery of and payment by the Underwriters for the Bonds hereunder, and (c) any termination of this Purchase Agreement.

19. **Execution in Counterparts.** This Purchase Agreement may be executed in several counterparts each of which shall be regarded as an original and all of which shall constitute but one and the same document.



20. **Applicable Law.** This Purchase Agreement shall be interpreted, governed and enforced in accordance with the law of the State of California applicable to contracts made and performed in such State.

Very truly yours,

Merrill Lynch, Pierce, Fenner & Smith,  
Incorporated, on behalf of itself and  
as Representative for  
Banc of America Securities, LLC  
E.J. De La Rosa & Co., Inc.  
Lehman Brothers  
Morgan Stanley  
Prudential Securities  
Salomon Smith Barney  
Seibert Brandford Shank & Co., LLC  
UBS PaineWebber Inc.  
U.S. Bancorp Piper Jaffray

The foregoing is hereby agreed to  
and accepted as of the date first  
above written:

By: \_\_\_\_\_

COUNTY OF LOS ANGELES

By: \_\_\_\_\_  
Treasurer and Tax Collector

Approved as to form:

LLOYD W. PELLMAN  
County Counsel

By: \_\_\_\_\_  
Deputy County Counsel

LOS ANGELES UNIFIED SCHOOL DISTRICT

By: \_\_\_\_\_  
Joseph P. Zeronian, Ed.D.  
Chief Financial Officer



**EXHIBIT A  
MATURITY SCHEDULE**

\$ \_\_\_\_\_ Serial Bonds

<b>Maturity (<u>July 1</u>)</b>	<b>Principal <u>Amount</u></b>	<b>Interest <u>Rate</u></b>	<b>Price or <u>Yield</u></b>
	\$	%	%

\$ \_\_\_\_\_ Serial Bonds

<b>Maturity (<u>July 1</u>)</b>	<b>Principal <u>Amount</u></b>	<b>Interest <u>Rate</u></b>	<b>Price or <u>Yield</u></b>
	\$	%	%



\$ \_\_\_\_\_ % Term Bonds due \_\_\_\_\_ 1, \_\_\_\_ – Priced to Yield \_\_\_\_ %

The Bonds will be dated as of the date of delivery and will be payable on \_\_\_\_\_ 1 in the years set forth above **or the earlier redemption of such Bonds**. Interest on the Bonds is payable on \_\_\_\_\_ 1 and \_\_\_\_\_ 1 of each year, commencing \_\_\_\_\_ 1, \_\_\_\_.

#### TERMS OF REDEMPTION

The terms of redemption set forth in the Resolution are supplemented and amended to include the following:

Optional Redemption. The Bonds maturing on or before \_\_\_\_\_ 1, \_\_\_\_ shall not be subject to redemption prior to their respective stated maturities. The Bonds maturing on and after \_\_\_\_\_ 1, \_\_\_\_ shall be subject to redemption prior to maturity, at the option of the District, from any available source of funds, on \_\_\_\_\_ 1, \_\_\_\_ and on any Interest Payment Date thereafter, at a redemption price equal to the principal amount thereof together with accrued interest thereon to the date fixed for redemption.

Mandatory Sinking Fund Redemption. The Bonds maturing on \_\_\_\_\_ 1, \_\_\_\_ are subject to prepayment prior to their stated maturity, in part, from mandatory sinking account payments, on the following dates, at the principal amount represented thereby plus accrued interest represented thereby to the date fixed for prepayment, without premium. The principal amount of such Bonds to be so prepaid and the dates therefore shall be as follows:

<u>Date</u>	<u>Principal Amount</u>
	\$